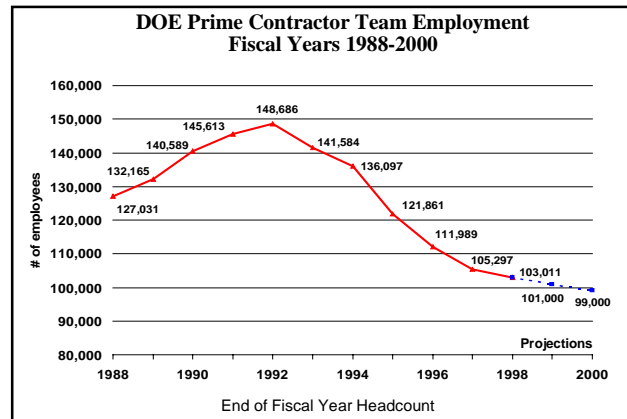


Science, Security and Energy: Powering the 21st Century



**The FY 2000
Office of Worker and
Community Transition
Budget Request**

Facilitating Change by Ensuring Fair Treatment of Workers and Communities

\$ in millions			
Program	FY 1999 Appropriations	FY 2000 Request	
Work Force Restructuring	\$ 9.4	\$ 9.4	Provide funding for enhanced separation payments in FY 1999 and FY 2000* *At the direction of Congress, this account funds <i>enhanced</i> separation benefits provided to contractor employees
Community Transition	\$16.6	\$17.1	Provide funding to communities that should help create roughly 1,700 jobs in FY 1999 and about 1,700 jobs in FY 2000
Program Direction	<u>\$ 3.9</u>	<u>\$ 3.5</u>	Provide funding to support work force planning, facilitate asset conversion and reuse, oversee labor relations and perform other program direction activities
Use of Prior Year Balances	- 1.7		
TOTAL	\$28.2	\$30.0	

The Department is achieving its missions with 46,000 fewer contractor employees than in 1993 – with only 28 percent involuntary separations – and is saving at least \$3.3 billion annually for a one-time investment of \$837 million

Program Strategies

- **Manage employee retention and career transition**
 - Early closure strategies depend upon having the right employees working until the very end. We are developing mechanisms for encouraging retention and separation at the appropriate moment.
- **Promote flexible use of skilled work force**
 - Contract changes, outsourcing and privatization can result in costly and disruptive employment transitions. We have established means for retaining skilled employees and avoiding severance costs while implementing changes.
- **Support local economic diversification and development**
 - Economic development assistance helps local communities reduce their reliance on government activities and promotes partnerships between local officials and the Federal government.
- **Transfer and reuse excess property and facilities**
 - This strategy brings local communities together with the Department to accomplish common objectives – closure and reuse of excess assets.

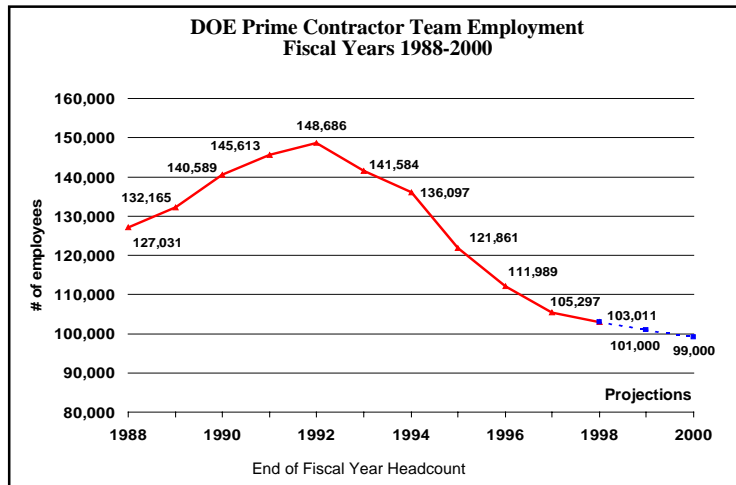
Work Force Planning Supports Site Closure



"This program works because DOE, Fluor Daniel Fernald and the unions are all committed to providing team members with the resources they need to leave Fernald employed."

- We are developing programs that will encourage workers to remain at DOE sites for as long as their skills are required, and then separate voluntarily.
- The goal is to allow workers to move directly to new employment from completion of their DOE tasks
- **For small initial investments, the payoff will be smaller severance payments and the ability to fully utilize our skilled work force to achieve rapid site closure**

Fair Treatment is Good Business!



- Since 1992, DOE contractors have reduced their work force by nearly one-third, with annual savings of over \$3.3 billion
- Over 70 percent of separations have been voluntary, and have *not* resulted in significant legal challenges or labor unrest
- Significant savings and productivity gains are being realized through use of new contracting mechanisms, while retaining current workers with their unique experience and skills.
- At Oak Ridge, for example, a new cost-saving contract provides pension and service continuity, coordinated work force planning, and assured employment offers.
- **This employment continuity will make possible transition of nearly 6,000 workers to task-oriented sub-contractors and avoid immediate potential severance liabilities of up to \$45 million!**

Diversification Reduces Federal Dependence



Hanford Applied Engineering Laboratory

The Applied Process Engineering Laboratory (APEL) in Richland, Washington, a technology incubator, was created in an excess facility through an alliance of institutions and resources. APEL contains over 14,000 sq.ft. of wet labs and clean rooms, 20,000 sq. ft. of business start-up bays, and 20,000 sq. ft. of permitted high bay development space. APEL is over 50% occupied by six new companies and Pacific Northwest Laboratory. Sixteen new high-tech jobs have been created. An additional 175 new jobs are expected to be created by 2001.

Aiken County Tire Plant

In 1997, Bridgestone/Firestone, Inc. announced plans to build “the worlds most modern tire plant” in Aiken, SC. The plant will produce 25,000 automobile and light truck tires per year and employ over 800 workers when it is in full production. Right now, the plant employs 380. Bridgestone has invested \$435 million to build the 1.5 million sq. ft. facility on a 550-acre site. Funding to build the infrastructure for the project came from the State, Aiken County, the Department of Commerce, and DOE.



Transfer and Reuse Speeds Site Closures



Converted Pinellas Plant to Commercial Use

DOE ended 40 years of operations at the Pinellas Plant on September 30, 1997. The Plant was the first transfer of a DOE nuclear defense production facility to a local government. Transition activities were originally envisioned through FY 2000; closing the Plant three years ahead of schedule will save DOE more than \$29 million. At the end of FY 1992, 1,569 workers were employed at Pinellas. Twenty-five businesses with over 1,800 employees now share the plant space, and it's projected that over 2,330 employees will be working in this former nuclear weapons facility by the year 2001.

Transferred the Mound Plant

The transfer of the Mound facility in January 1998 was a collaborative effort between the community, the contractor and the DOE. The site transfer provides an incentive to encourage early closure by offering the promise of new businesses and job opportunities. Early closure should save approximately \$150 million in maintenance and operating costs. The local reuse organization has thus far created 283 jobs and expect to see an additional 550 positions by 2001.



Reuse and Conversion Frees Funding for Cleanup



Hanford's Transportation Project

The transfer of the 1100 Area and the 16 miles of rail track at Hanford to the community will save DOE about \$1 million a year in maintenance costs. The community expects this to be a prime area for metals and manufacturing business. The Livingston Rebuild Center (LRC), a locomotive repair firm, has already located at the site and will manage the rail system for the community.

Creative Efforts to Reuse Defense Facilities

Reindustrialization at Oak Ridge could result in over \$800 million in savings to the taxpayer over 30 years. These savings will be achieved through bartering leasing for cleaning up contaminated buildings, utilities, roads and grounds budget reductions, and barter of metals for cleanup of buildings.

